

Select originating cluster

Information Memorandum Transmittal

Cindy Hannum
Authorized Signature

Number: SPD-IM-04-102
Issue Date: 11/22/2004

Topic: Licensing

Subject: SPD Adult Foster Home General Liability Insurance

Applies to (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> All DHS employees | <input type="checkbox"/> County Mental Health Directors |
| <input checked="" type="checkbox"/> Area Agencies on Aging | <input type="checkbox"/> Health Services |
| <input type="checkbox"/> Children, Adults and Families | <input checked="" type="checkbox"/> Seniors and People with Disabilities |
| <input type="checkbox"/> County DD Program Managers | <input type="checkbox"/> Other (please specify): |

Message: On November 19, 2004, Seniors and People with Disabilities, Office of Licensing and Quality of Care, will be mailing the attached correspondence to Adult Foster Home Provider's that are licensed by SPD. Since 2002, insurance companies began to cancel policies or deny insurance applications from Providers. This has resulted in great difficulty for our Provider's in obtaining cost-effective liability insurance. This problem is especially challenging for those Provider's that have a Medicaid Contract with Seniors and People with Disabilities, as our expectation is that they carry liability insurance to protect their business operations.

We are pleased to offer our Provider's a resource for affordable liability insurance through the Sparta Insurance Program. Only Provider's that have a Medicaid contract with the state will be eligible for this coverage. Additionally, participation in the Sparta Insurance Program is not required and Provider's may choose to continue their coverage with their existing company or obtain liability insurance from another company.

No local office action is required and all questions regarding the Sparta Insurance Program should be forwarded to the contact listed below.

If you have any questions about this information, contact:

Contact(s):	Mickey Tate		
Phone:	(503) 945-5903	Fax:	(503) 378-8966
E-mail:	Martha.L.Tate@state.or.us		

November 18, 2004

To: Adult Foster Home Providers
Licensed by Seniors and People with Disabilities

RE: General Liability Insurance

Dear Provider:

Many of you are aware of the difficulty of obtaining and maintaining cost-effective liability insurance. Since 2002, insurance companies have begun to cancel or greatly increase costs of Provider liability insurance. This is a significant problem if you have a Medicaid Contract with Seniors and People with Disabilities, as you are expected to carry liability insurance to protect your business operations. Also, home owner policies do not cover liability for the provision of care to residents.

We are pleased to provide you with the following information about affordable liability insurance through the Sparta Insurance Program:

- The Sparta Insurance Program is a subsidiary of Municipality Insurance in California. Sparta Insurance can provide liability insurance coverage for individuals and small businesses;
- The State Of Oregon is the Public Entity that is required to be involved in the Sparta Insurance Program. Therefore, Adult Foster Home Providers who have a Medicaid contract with the state are eligible for liability insurance coverage from Sparta;
- The cost for a policy that covers both general and professional liability coverage is approximately \$2,500 per year;
- Participation in the Sparta Insurance Program is not required and is offered as a potential resource for you. You may choose to continue your coverage with your current company or obtain liability insurance from another source;

- Providers who wish to obtain liability insurance coverage from Sparta will need to contact the company directly in one of the following ways:

Sparta Insurance Company

Telephone: 1-800-420-0555

FAX: 1-714-550-5044

E-mail carol@2sparta.com

Web site www.2sparta.com

- You will be asked to complete a worksheet for the insurance company. The attached information and sample worksheet is intended to assist you in providing the Sparta Insurance Program with the necessary information.
- If you have additional questions, comments or concerns, please contact Mickey Tate at 503-945-5903 or Marie Collins at 503-945-6403.

Sincerely,

Cindy Hannum
Administrator
Office of Licensing and Quality of Care